

## Message Text

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PAGE 01 STATE 003891  
ORIGIN EB-07

INFO OCT-01 IO-13 ISO-00 AID-05 COME-00 ITC-01 AGRE-00  
CEA-01 CIAE-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-01 CIEP-01 SS-15 STR-04  
TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 FEA-01 /088 R

DRAFTED BY EB/OT/GCP:SLYNN:JM  
APPROVED BY EB/OT/GCP:JSLATTERY  
AID/PPC/PDA:LPEREZ  
AID/PPC/IA:LLAUFER  
COMMERCE:ICOSIMI  
-----080011Z 109390 /70  
R 072136Z JAN 77  
FM SECSTATE WASHDC  
TO USMISSION GENEVA

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E.O. 11652: N/A

TAGS: ETRD, ITC, EAID

SUBJ: COMMENTS ON ITC PROJECT PROPOSAL FOR FURTHER  
MARKET OPPORTUNITIES THROUGH GSP

1. USG HAS REVIEWED SUBJECT PROPOSAL, AND IS WILLING TO  
SERIOUSLY CONSIDER FINANCING APPROPRIATE SHARE OF THE  
COST, PROVIDED FOLLOWING COMMENTS ARE ADEQUATELY TAKEN  
INTO ACCOUNT. AID ATTACHE REQUESTED REVIEW COMMENTS WITH  
ITC DIRECTOR SANTIAPILLAI AND REPORT RESULTS ASAP.

2. COMMENTS WITH REGARD TO PHASE I:

A. THE SELECTION PROCESS OF EXPORTING COUNTRIES SHOULD  
NOT BE MADE ON A "FIRST COME FIRST SERVE" BASIS BUT SHOULD  
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INVOLVE AN ITC DECISION TAKING ABILITY TO INCREASE EXPORTS  
AND NEED FOR ASSISTANCE INTO ACCOUNT. ATTEMPTS SHOULD  
BE MADE TO GIVE THE LOW INCOME COUNTRIES INCLUDING  
LEAST DEVELOPED COUNTRIES AN EQUAL OR BETTER CHANCE AT SUCH  
OPPORTUNITIES AS THEY ARE ABLE TO HANDLE.

B. IN SELECTING THE 15 PRODUCT GROUPS IN THE FIRST PHASE,

CONSIDERATION SHOULD ALSO BE GIVEN TO THE PRICE DEMAND  
ELASTICITY AND THE COMPETITIVE STRUCTURE OF IMPORT

MARKETS OF THE PRODUCTS BEING CONSIDERED, WHICH WILL  
DETERMINE THE LIKELIHOOD THAT A TARIFF CUT WILL BE  
REFLECTED IN LOWER CONSUMER PRICES.

C. WHEN DOING THE SUPPLY INVENTORY ASSESSMENT OF PHASE I,  
CONSIDERATION SHOULD BE GIVEN TO ANY TRADE BARRIERS IN  
EXPORTING COUNTRIES THAT MIGHT NOT ALLOW AN EXPANSION OF  
EXPORTS. GOVERNMENT POLICIES OR LACK OF INFRASTRUCTURE  
FACILITIES MIGHT BE SOME OF THE BARRIERS WHICH MIGHT LIMIT  
THE GROWTH OF EXPORTS. IN THIS CONNECTION, IT WILL  
PROBABLY BE VERY ADVISABLE TO GET THE COOPERATION OF  
EXPORT PROMOTION AGENCIES OR TRADE ASSOCIATIONS TO  
PROVIDE THIS INFORMATION DURING PHASE I. THESE AGENCIES  
COULD LATER ON PROVIDE THE COUNTERPART TO THE ITC STAFF  
IN PHASE II.

D. A.I.D. FINANCING SUPPORT TO THIS PROJECT WOULD BE  
SUBJECT TO HAVING THE U.S. MARKET INCLUDED IN THE STUDY.  
FYI: AID ATTACHE SHOULD ATTEMPT IN INFORMAL AND LOW-KEY  
MANNER TO DIRECT ITC STUDIES AWAY FROM HIGHLY SENSITIVE  
PRODUCTS IN US GSP LIST SINCE WORK ON THESE PRODUCTS MIGHT  
BE COUNTER-PRODUCTIVE. END FYI

E. THE WORLD TRADE INSTITUTE OF NEW YORK CITY HAS  
EXPERIENCE IN PROMOTING LDC EXPORTS IN THE US MARKET  
AND COULD DO THE FIELD WORK FOR THE U.S. MARKET. THERE  
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ARE OTHER SIMILAR INSTITUTIONS IN OTHER COUNTRIES WHICH  
COULD DO THE WORK AS AD HOC CONSULTANTS. THESE ARRANGE-  
MENTS HAVE THE ADDITIONAL BENEFIT OF ENCOURAGING COOPERATION  
AMONG INSTITUTIONS WORKING IN THIS FIELD.

3. COMMENTS WITH REGARD TO PHASE II:

A. IT IS IMPORTANT TO DO A REALISTIC ASSESSMENT OF THE  
EXPORT SUPPLY POSSIBILITIES OF BENEFICIARY COUNTRIES IN  
PHASE II. THE WORK IN PHASE II COULD BUILD UPON THE  
INFORMATION OBTAINED IN PHASE I IF THE SUPPLY PROBLEMS ARE  
TAKEN INTO CONSIDERATION AT THAT EARLY STAGE.

B. WAYS SHOULD BE FOUND OF MAKING THE RESULTS OF THE  
MARKETING STUDY AVAILABLE TO BENEFICIARY COUNTRIES  
OTHER THAN THE DEVELOPING COUNTRY ORIGINALLY CHOSEN. THIS  
COULD BE DONE BY INVITING OTHER COUNTRIES REPRESENTATIVES  
TO THE SEMINAR TO BE HELD AT THE END OF PHASE II IN THE  
SELECTED DEVELOPING COUNTRY OR BY MAKING THE RESULTS

AVAILABLE TO OTHER COUNTRIES THROUGH PUBLICATIONS.

C. THE COST OF THE FIRST PHASE OF THE PROJECT, 79,900 DOLLARS, WILL BE FINANCED BY UNDP FUNDS. A.I.D. IS WILLING TO SERIOUSLY CONSIDER FINANCING AN APPROPRIATE SHARE OF THE COST OF THE SECOND PHASE, 218,880 DOLLARS, PROVIDED THAT THE COMMENTS MENTIONED ABOVE ARE ADEQUATELY TAKEN INTO ACCOUNT. CLARIFICATION SHOULD ALSO BE SOUGHT ON THE DIFFERENCES IN THE BUDGETS PRESENTED FOR PHASE II FOR EUROPEAN AND OTHER MARKETS. ARE SEPARATE BUDGETS PRESENTED TO MAKE THE POINT THAT EUROPEAN STUDIES ARE LESS EXPENSIVE?

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ORIGIN EB-02

INFO OCT-01 IO-02 ISO-00 /005 R

66011  
DRAFTED BY EB/OT/GCP-SLYNN  
APPROVED BY EB/OT/GCP-SAHMAD  
-----280931Z 079753 /10

R 280106Z JAN 77  
FM SECSTATE WASHDC  
TO USMISSION USUN NEW YORK

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FOL REPEAT STATE 003891 ACTION GENEVA DTD 7 JAN.

QUOTE

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E.O. 11652: N/A

TAGS: ETRD, ITC, EAID

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B. IN SELECTING THE 15 PRODUCT GROUPS IN THE FIRST PHASE, CONSIDERATION SHOULD ALSO BE GIVEN TO THE PRICE DEMAND ELASTICITY AND THE COMPETITIVE STRUCTURE OF IMPORT

MARKETS OF THE PRODUCTS BEING CONSIDERED, WHICH WILL DETERMINE THE LIKELIHOOD THAT A TARIFF CUT WILL BE REFLECTED IN LOWER CONSUMER PRICES.

C. WHEN DOING THE SUPPLY INVENTORY ASSESSMENT OF PHASE I, CONSIDERATION SHOULD BE GIVEN TO ANY TRADE BARRIERS IN EXPORTING COUNTRIES THAT MIGHT NOT ALLOW AN EXPANSION OF EXPORTS. GOVERNMENT POLICIES OR LACK OF INFRASTRUCTURE FACILITIES MIGHT BE SOME OF THE BARRIERS WHICH MIGHT LIMIT THE GROWTH OF EXPORTS. IN THIS CONNECTION, IT WILL PROBABLY BE VERY ADVISABLE TO GET THE COOPERATION OF EXPORT PROMOTION AGENCIES OR TRADE ASSOCIATIONS TO PROVIDE THIS INFORMATION DURING PHASE I. THESE AGENCIES COULD LATER ON PROVIDE THE COUNTERPART TO THE ITC STAFF IN PHASE II.

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B. WAYS SHOULD BE FOUND OF MAKING THE RESULTS OF THE MARKETING STUDY AVAILABLE TO BENEFICIARY COUNTRIES OTHER THAN THE DEVELOPING COUNTRY ORIGINALLY CHOSEN. THIS COULD BE DONE BY INVITING OTHER COUNTRIES REPRESENTATIVES TO THE SEMINAR TO BE HELD AT THE END OF PHASE II IN THE SELECTED DEVELOPING COUNTRY OR BY MAKING THE RESULTS AVAILABLE TO OTHER COUNTRIES THROUGH PUBLICATIONS.

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE, MARKETS, POLICIES, GENERALIZED PREFERENCES (TARIFFS)  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Subject:** COMMENTS ON ITC PROJECT PROPOSAL FOR FURTHER MARKET OPPORTUNITIES THROUGH GSP  
**TAGS:** ETRD, EAID, ITC  
**To:** GENEVA  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
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